

Michael D. Pelcovits

MiCRA
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PROFESSIONAL EXPERIENCE

October 2002 – Present: Principal, MiCRA (Microeconomic Consulting & Research Associates, Inc.)

Recent Assignments:

- Developed a model demonstrating the cost faced by a competitive local exchange carrier entering local exchange markets. The model was submitted to the Federal Communications Commission in its Triennial Review of the 1996 Telecommunications Act
- Testified on intrastate access charges before the Connecticut Department of Public Utilities and the Pennsylvania Public Utility Commission
- Analyzed the market for termination of calling on mobile phones in the UK and Netherlands markets

1988 – September 2002: WorldCom Inc. (MCI Communications, prior to merger)

1998 - 2002: *Vice President and Chief Economist*

Major Responsibilities:

- Supervised professional staff of economists, engineers, and policy analysts, with full responsibility for departmental budget, personnel, and quality of output.
- Directed economic analysis of policy and regulatory matters before federal, state, foreign, and international government agencies, legislative bodies, and courts.
- Advocated corporate policy positions before domestic and foreign governmental bodies, spoke at industry forums, and participated in briefings and interviews with the press.
- Recruited and directed independent, outside consultants (academic and private sector) to testify in regulatory and antitrust proceedings.
- Advised senior corporate management on public policy issues.

Recent Activities:

- Developed successful economic case and presented testimony before Oftel (the UK telecommunications regulator) and the European Commission, on regulation of terminating interconnection rates on mobile carriers.
- Served as U.S. telecommunications carrier representative in the ongoing Working Group formed by the Ministry of Telecommunications in Japan studying incremental cost models and universal service policy.
- Directed economic analysis and testimony supporting the merger application of WorldCom and Sprint, including experts from five consulting firms and four universities.

1996 – 1998: Executive Director

- Directed the Company's strategy, advocacy, and representation on costing and pricing issues in formal proceedings implementing the Telecommunications Act of 1996.
- Responsible for development, management, and allocation of \$10 million budget for outside consultants.

1992 – 1996: Director

- Supervised professional staff responsible for regulatory filings at the Federal Communications Commission on pricing, costing, and tariff issues.
- Represented MCI and long distance industry association at Congressional forums, committee staff meetings, and industry negotiations prior to passage of the Telecommunications Act of 1996.

1988 – 1992: Senior Policy Adviser

- Provided economic analysis of local and long distance telecommunications industries for regulatory and legal filings.
- Prepared economic analysis in support of advocacy on Capitol Hill. Prepared senior corporate management for testimony before Congressional Committees.

1982 – 1988: Vice President and Treasurer, Cornell, Pelcovits & Brenner Economists Inc.

- One of three managing principals who founded and directed an economic consulting firm, specializing in telecommunications, broadcasting, and antitrust economics. Client engagements included testifying over twenty times before state public utility commissions on pricing, costing, and competitive entry issues; analysis of cost and demand studies and their application to tariff design; and analysis of antitrust issues in transportation markets, among other projects.
- Served as Treasurer of the corporation managing the finances and supervising the accounting, tax, and benefits plans.

1981 – 1982: Senior Economist, Owen, Cornell, Greenhalgh & Myslinski Economists Inc.

- Provided economic consulting on telecommunications and environmental issues. Major client engagements included copyright issues for the Sony Corporation and water pollution issues for the American Iron and Steel Institute.

1979 – 1981: Senior Economist, Federal Communications Commission, Office of Plans and Policy

- Provided policy analysis of domestic and international common carrier and cable television issues.
- Presented recommendations to Office and Bureau Chiefs, Commissioner offices, and to Commissioners in open Commission meetings.

1978 – 1979: Industry Economist, Bureau of International Aviation, Civil Aeronautics Board

- Provided economic analysis of industry structure, international routes and fares for Board rulemakings and adjudication.
- Testified before administrative law judge in two cases recommending the opening of international airline markets to competition.

1976 – 1978: Assistant Professor, Department of Economics, University of Maryland, College Park

- Taught undergraduate and graduate courses in International Economics and Microeconomics.
- Conducted and supervised research in International Economics

1975 – 1976: Teaching Assistant, Department of Economics, M.I.T.

- Taught separate section in Principles of Economics and assisted in teaching Econometrics

1974 Instructor, Tufts University, Department of Economics

- Taught undergraduate course in Comparative Economic Systems

EDUCATION

Ph.D. (Economics), Massachusetts Institute of Technology, 1976

Dissertation title: “The Non-Equivalence of Tariffs and Quotas Under Uncertainty”

B.A. (Economics), *summa cum laude*, University of Rochester, 1972

AWARDS

National Science Foundation Graduate Fellowship, 1972 – 1975

Phi Beta Kappa, 1972

Isaac Sherman Graduate Fellowship, 1972 (University of Rochester)

John Dows Mairs Prize in Economics, 1971 (University of Rochester)

PUBLICATIONS

“The WorldCom-Sprint Merger” in John Kwoka, Jr. and Lawrence J. White, editors. The Antitrust Revolution, The Role of Economics, 4th Edition (Oxford University Press), 2003.

“Economics of the Internet,” (with Vinton Cerf), in Gary Madden and Scott Savage, editors, The International Handbook On Emerging Telecommunications Networks (Edward Elgar), 2003.

“Application of Real Options Theory to TELRIC Models: Real Trouble or Red Herring” in James Alleman and Eli Noam, editors, The New Investment Theory of Real Options and its Implications for Telecommunications Economics, (The Netherlands, Kluwer Academic Publishers, 1999).

“The Promise of Internet Access over Cable TV: Should the government force open access requirements?” (with Richard Whitt), CCH Power and Telecom Law, Vol. 2, No. 7, November/December 1999.

“Toward Competition in Phone Service: A Legacy of Regulatory Failure,” (with Nina W. Cornell and Steven R. Brenner), Regulation, July/August 1983.

“Access Charges, Costs, and Subsidies: The Effect of Long Distance Competition on Local Rates,” (with Nina W. Cornell), in Eli Noam, editor, Telecommunications Regulation Today and Tomorrow, (New York: Harcourt Brace Jovanovich, 1983).

“The Equivalence of Quotas and Buffer Stocks as Alternative Stabilization Policies,” Journal of International Economics, May 1979.

“Revised Estimates U.S. Tax Revenue (with Jagdish Bhagwati), in Bhagwati and Partington editors, Taxing the Brain Drain, (North Holland, 1976).

“Quotas Versus Tariffs,” Journal of International Economics, November, 1976.

OTHER PROFESSIONAL ACTIVITIES

Speaker and Panelist (selected examples):

National Association of State Utility Consumer Advocates, “Telco Structural Separations, Costs & Benefits,” June 19, 2001

LeBoeuf, Lamb, Greene & MacRae, “Telecom Restructuring: The Road to Profitability -- Is there a Map?” June 11, 2001

Columbia University, Graduate School of Business, Institute for Tele-Information, “European Lessons in Liberalization: The German Experience in Telecommunications & Internet Applications,” February 16, 1999

Massachusetts Institute of Technology, “Economics of the Internet: Lessons from Regulation of Telephony,” April 30, 1998

National Association of State Utility Consumer Advocates, “The Telecommunications Act Two Years Later,” February 10, 1998

Columbia University, Graduate School of Business, Institute for Tele-Information, “From the Blueprint to Reality: A Look Into the Second Year of the Telecommunications Act of 1996,” April 10, 1997

Federal Communications Commission, Federal State Joint Board on Separations, February 26, 1997

Alliance for Public Technology, “Technologies of Freedom: Linking the Home to the Highway,” February 21, 1997

Federal Communications Commission, Federal-State Joint Board on Universal Service, June 5, 1996

Columbia University, Graduate School of Business, Institute for Tele-Information, “Telecommunications Act of 1996: The Morning After,” February 6, 1996

New York Law School, Communications Media Center, “Universal Service in Context: A Multidisciplinary Perspective,” December 6, 1995

Kansas University, “Stakeholders Symposium on Telecommunications,” November 2, 1995

California Foundation of the Environment and the Economy, “Roundtable on Telecommunications Policy, October 27, 1994

Guest lecturer in graduate and undergraduate courses at:

New York University, Stern School of Business
Georgetown University, McDonnough School of Business
George Washington University
Johns Hopkins University
University of Maryland
American University

RECENT TESTIMONIES

State of Connecticut, Department of Public Utility Control, DPUC Investigation of Intrastate Access Charges, Docket No. 02-05-17.

State of Connecticut, Department of Public Utility Control, Application of Southern New England Telephone Company for Approval to Reclassify Certain Private Line Services from Noncompetitive to Competitive Category, Docket No. 03-02-17.

Pennsylvania Public Utility Commission, AT&T Communications of Pennsylvania, Inc. v. Verizon North, Inc. Docket Number C-20027195.

COMMUNITY SERVICE

Melvin J. Berman Hebrew Academy, Rockville, Maryland

- President of the Board, 2002- present. Chaired board of directors, with responsibility for budget, fundraising, and educational policies of a private, Orthodox Jewish institution, with over 700 students, 100 faculty members, and a budget of \$7 million.
- Chair of the Board of Education, 1998-2001. Chaired committee of lay leaders responsible for educational programs and policies.
- Co-chaired successful search committee for a new Headmaster, 2000-2001.
- Member of five-person Interim Oversight Committee, which, in the absence of a Headmaster, supervised and coordinated school principals, 2000-2001.
- Treasurer, 1985-1988. Prepared budget, chaired the Budget and Finance Committee, and oversaw work of the Comptroller.

Member, Economic Advisory Committee, Office of the Honorable Michael Subin, Member and Past Chair, Montgomery County Council, Rockville, Maryland

- A three-member committee of economists that meets periodically with Councilman Subin to provide informal discussion and recommendations on selected policy issues under consideration by the Council, such as cable television franchising.